## STATE OF CALIFORNIA BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TO: Eric Johnson Lending Prime
Eric Lending Prime
Eric Johnson
6432 High Country Circle
Corona, California 92880
primecreditrate.com
lending-prime.webnode.com

## **DESIST AND REFRAIN ORDER**

## (For violations of sections 22100 and 50002 of the California Financial Code)

The Acting Commissioner of Financial Protection and Innovation finds that:

- 1. The Acting Commissioner is authorized to pursue administrative actions and remedies against persons who engage in violations of the California Financing Law (Financial Code § 22000, et seq.) (CFL) and the California Residential Mortgage Lending Act (Financial Code § 50000 et seq.) (CRMLA).
- 2. At all relevant times, Eric Johnson Lending Prime (EJLP) is, or was, an entity whose legal status is unknown. In relevant loan documents, EJLP states its address as 6432 High Country Circle, Corona, California 92880.
- 3. In relevant loan documents, EJLP holds out Eric Johnson as Chief Executive Officer, and a person using the name or alias Eric Johnson has directed the activities of EJLP and communicated with a borrower purportedly on EJLP's behalf (Johnson).
- 4. At all relevant times, Eric Lending Prime is, or was, an entity whose legal status is unknown.
- 5. The internet website primecreditrate.com holds out Eric Johnson as CEO with the same phone number as EJLP. This website also offers financing for "Home, "Auto," and "Education," among others.
- 6. The subject parties also appear to maintain or be affiliated with the internet website lending-prime.webnode.com which uses the business name Eric Lending Prime, displays the same

email address and phone number as EJLP and Johnson, and refers to Eric Johnson. The website states that "Eric Johnson Private Lending [sic] is a leading boutique private lending firm specializing in commercial and residential loans across all states and territories." The two websites (collectively the Websites) do not display any lender license number or NMLS number.

- 7. The Websites provide a contact address in Chino, California. That address is affiliated with an Eric Johnson, who is a licensed California real estate appraiser, whose name and address appear to have been misappropriated by the subject parties without permission to advance their scheme. The Websites thus provide a false address.
- 8. In October 2020, EJPL and Johnson offered to provide a loan for a California resident. The California resident submitted an application, on a form provided by EJPL and Johnson, for a loan in the amount of \$200,000.00. The loan was to be secured by a single-family residential property; was for personal, family or household purposes; and was not a commercial loan. EJPL and Johnson sent the borrower purported loan documents including a loan term sheet, letter of approval, promissory note, loan agreement, and security agreement, which the borrower signed and returned.
- 9. EJPL and Johnson demanded that the borrower send them \$4,000.00 as loan processing costs and then demanded that the borrower send them \$9,550.00 as purported insurance costs for the loan. At their direction, the borrower wired both amounts to an account at Golden 1 Credit Union.
- 10. Although the borrower sent the funds demanded, EJPL and Johnson failed and refused to fund the loan. The borrower demanded that they return his funds, but they have failed to do so.
- 11. The Commissioner has not issued a license to Eric Johnson Lending Prime, Eric Lending Prime or to an Eric Johnson authorizing them to engage in the business of a finance lender and/or broker under the California Finance Lenders Law as required by California Financial Code section 22100 and they are not exempt from such licensing requirements.
- 12. The Commissioner has not issued a license to Eric Johnson Lending Prime, Eric Lending Prime or to an Eric Johnson authorizing them to engage in the business of making or servicing residential mortgage loans under the CRMLA as required by California Financial Code section 50002 and they are not exempt from such licensing requirements.

By reason of the foregoing findings, the Acting Commissioner of the Department of Financial Protection and Innovation is of the opinion that Eric Johnson Lending Prime, Eric Lending Prime and Eric Johnson have engaged in the business of a finance lender and/or broker without having first obtained a license from the Commissioner in violation of California Financial Code section 22100.

Pursuant to California Financial Code section 22712, Eric Johnson Lending Prime, Eric Lending Prime and Eric Johnson are ordered to desist and refrain from engaging in the business of a finance lender and/or broker in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt.

By reason of the foregoing findings, the Acting Commissioner of the Department of Financial Protection and Innovation is further of the opinion that Eric Johnson Lending Prime, Eric Lending Prime and Eric Johnson have engaged in the business of making or servicing residential mortgage loans in violation of California Financial Code section 50002.

Pursuant to California Financial Code section 50320, Eric Johnson Lending Prime, Eric Lending Prime and Eric Johnson are ordered to desist and refrain from engaging in the business of making and/or servicing residential mortgage loans in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt.

This order is necessary, in the public interest, for the protection of consumers, and is consistent with the purposes, policies, and provisions of the California Finance Lenders Law and the California Residential Mortgage Lending Act.

Dated: July 14, 2021 Sacramento, California

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation



MARY ANN SMITH
Deputy Commissioner
Enforcement Division